

March 11, 2009

### **Pelosi, Hoyer and Obey Announce Further Earmark Reforms**

WASHINGTON - Today, Speaker Nancy Pelosi, Majority Leader Steny Hoyer and Appropriations Chairman Dave Obey (D-WI) today announced two additional measures to the committee's earmarking process.

**1. Increased Executive Branch Review:** When a Member submits a request for an earmark, the appropriate Executive Branch agency will be given 20 days to review the project to ensure that the earmark is eligible to receive funds and meets goals established in law.

**2. Competitive Selection Required of Earmark Funding Directed to For-Profits:** For any earmark intended to be directed to a for-profit entity, the Executive Branch will be required to ensure that the earmark will be awarded through a competitive bidding process.

"These reforms, when combined with previous reforms since Democrats took control of the House in 2007, protect the integrity of the process and assure the proper use of taxpayers' money," said Obey.

Pelosi said: "Since taking control of Congress in January 2007, Democrats reformed an earmark process that had grown out of control, spent too much money, fostered corruption, and offered no accountability to the American taxpayer. We immediately imposed a one-year moratorium on appropriations earmarks in order to institute new rules that provided for historic transparency and have already drastically cut earmarks. Today, we are announcing additional earmark reform measures that build upon the substantial accountability and reform the New Direction Congress instituted and provide for competition and an additional level of executive review. With the inclusion of these new reforms, we will ensure accountability for Congressional earmarks at every step of the process," Pelosi said.

"Earmarks are part of Congress's power of the purse, which all Americans know as

essential to the balance of powers between the branches of government. At the same time, it is critical that Congress be vigilant in spending taxpayers' money. That is why Democrats immediately enacted strong accountability and transparency earmark reforms upon gaining the Majority two years ago. Today, we build on that record with two more reforms to help ensure that taxpayer money is being spent on worthy projects benefitting local communities," Hoyer said.

**With these additional reforms, the process will work as follows:**

**Step 1: ■ Members are Required to Post All Requests Online:** To offer more opportunity for public scrutiny of member requests, members are required to post information on their earmark requests on their websites at the time the request is made with the proposed recipient, the address of the recipient, the amount of the request, and an explanation of the request, including purpose, and why it is an appropriate use of taxpayer funds. ( **new as of January, 2009**)

**Step 2: ■ Certify No Financial Interest:** At the time the request is made, the member must send the committee a letter identifying the earmark, the entity that will receive the funds and their address, what the earmark does, and a certification that neither the requesting member nor their spouse will benefit from it financially. The certification is available on the internet at least 48 hours prior to a floor vote on the bill.

**Step 3: ■ Executive Review:** The appropriate agency will be given 20 days to check that the proposed earmark is eligible for funding and meets goals established in law. ( **new today - March 11, 2009**)

**Step 4: ■ Early Public Disclosure of Subcommittee Decisions:** Each bill must be accompanied by a list identifying each earmark that it includes and which member requested it. To increase the time available for public scrutiny of committee decisions, earmark disclosure tables will be made publically available the same day as the House or Senate Subcommittee rather than Full Committee reports their bill. ( **new as of January 2009**)

**Step 5: □ A Cap of 1%:** Total funding for non-project based earmarks will be limited to 50% of the 2006 levels and no more than 1% of the total discretionary budget.  
**(new as of January 2009)**

**Step 6: □ Votes:** Members are able to offer floor amendments on earmarks under the rules of the House and Senate. Over 70 such votes were taken on individual earmarks in 2007 in the House.

**Step 7: □ Competitive Process:** Earmarks directed to for-profit entities will undergo a competitive bidding process.  
**(new today - March 11, 2009)**

**Step 8: □ Rescissions:** In the event that any "clunkers" are discovered after enactment, under the rescission process on the books, the Congress can consider proposals by the President to rescind funding.

"This amended and reformed process will provide the most open and transparent process for any legislative action in the history of the Congress," Obey said. "It will be far more open and transparent than during the 'good old days' when a committee chairman would simply pick up the phone and instruct government agencies to fund member requests behind the scenes with no transparency, no fingerprints, and no public accountability."